

N.A.P. CONSUMER ELECTRONICS CORP.

March 5, 1982

Dear Odyssey Dealer:

The purpose of this letter is to bring you up to date on the status of the K. C. Munchkin home video game by Odyssey in relation to the law suit filed against North American Philips Corporation by Atari, Inc., claiming infringement of the PACMAN copyright.

On March 2, 1982, the United States Court of Appeals for the Seventh Circuit in Chicago reversed the decision of a lower court and ruled in favor of Atari in its request for an injunction pending a full trial. The Appeals Court instructed the trial court to enter an injunction pending the trial.

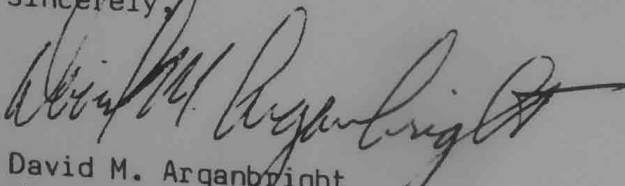
We do not agree with the Appeals Court decision and we are preparing a petition to the U. S. Supreme Court for review.

On March 5th, the injunction was entered and the enforcement of the injunction has been stayed by the Trial Court as permitted by the Appeals Court order. This means business as usual until the Supreme Court has finally reviewed the matter.

Kindly be assured that we will pursue every available legal action including the appeal to the U. S. Supreme Court and a full trial to protect our right to sell this fine game.

You may continue to advertise, display, and sell K. C. Munchkin on its own merits as a superior video game.

Sincerely,



David M. Arganbright
Vice President & General Manager - Odyssey